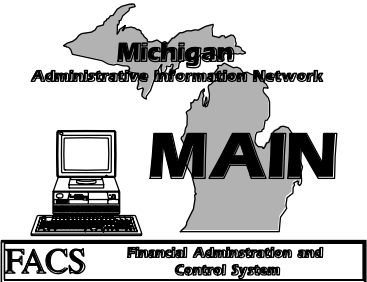


AD01
OFM MAIN TRAINING
ADPICS Overview
1/31/2007

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**AD01
ADPICS OVERVIEW**

**ADPICS
AD01**



**ADPICS Overview
WELCOME**

INTRODUCTION

AGENDA

Introduction

- 1. Structure of MAIN**
 - 2. Functions of ADPICS**
- Conclusion**

Learning Objectives

Upon completion of this course, you should understand

- **Major MAIN FACS systems**
- **Functions of ADPICS**

AGENDA

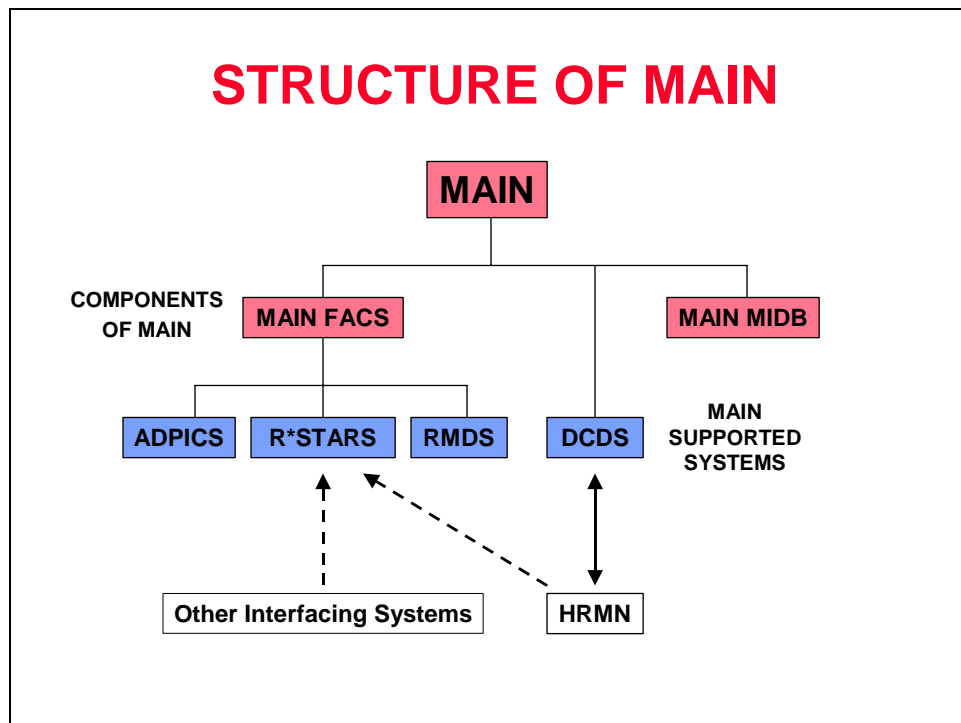
Introduction

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Conclusion

1. STRUCTURE OF MAIN



MAIN (Michigan Administrative Information Network) is the integrated, automated administrative information system for the State of Michigan. It is comprised of components and systems that support the State's accounting, payroll, purchasing, contracting, budgeting, personnel, and revenue management activities and requirements.

Systems within the structure of MAIN

MAIN FACS (Financial Administration and Control System) is composed of the accounting, purchasing and report management system for the State of Michigan

- **R*STARS** (Relational Standard Accounting and Reporting System) is the statewide accounting and budgetary control system
- **ADPICS** (Advanced Purchasing and Inventory Control System) is the statewide procurement system which offers flexibility, security and control over data access and entry, and specifically addresses the purchasing, receiving and accounts payable requirements for the State of Michigan

- *RMDS* (Report Management Distribution System) is the official reporting system for the State of Michigan. Formatted reports are generated based upon data from ADPICS, R*STARS, MAIN HRS and other interfacing systems. RMDS reports are made available for user On-line viewing with print options

DCDS (Data Collection and Distribution System) allows users to record data for time and attendance, labor distribution, equipment usage, and activities

- *HRMN* (Human Resources Management Network) is the existing personnel and payroll system for the State of Michigan

MAIN MIDB (Management Information Database) is a separate data warehouse and ad hoc reporting system utilized by the State of Michigan from which MAIN FACS, HRS and data interfacing from other systems can be extracted by scripts available on the OFM Website.

Summary

- Through integration accomplished by the use of common interrelated databases, these software components eliminate unnecessary redundancy and duplication of effort
- They allow for consistent data throughout the system, and allow access to information in a timely manner through on-line inquiry capability and report availability



EXERCISE #1

Knowledge

On the blank next to each MAIN component and system, write the title to the acronyms provided.

HRS _____

MIDB _____

FACS _____

ADPICS _____

DCDS _____

RMDS _____

HRMN _____

R*STARS _____



EXERCISE #1 ANSWER KEY

Knowledge

On the blank next to each MAIN component and system, write the title to the acronyms provided.

HRS Human Resource System

MIDB Management Information Database

FACS Financial Administration and Control System

ADPICS Advanced Purchasing and Inventory Control System

DCDS Data Collection and Distribution System

RMDS Report Management and Distribution System

HRMN Human Resources Management Network

R*STARS Relational Standard Accounting and Reporting System

2. FUNCTIONS OF ADPICS

AGENDA

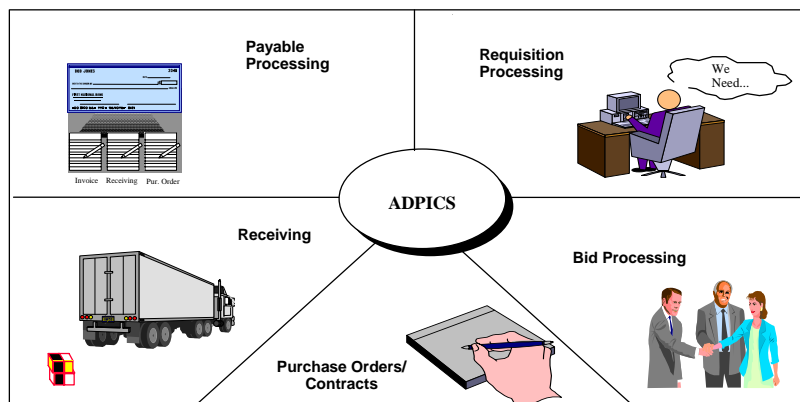
Introduction

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Conclusion

ADPICS is the State's procurement and materials management system



Requisition Processing Function of ADPICS

Requisition Processing



- **Provides an on-line point of entry for purchasing requests**
- **Provides comprehensive edits which support and maintain data integrity**
- **Automatically interfaces with R*STARS to create pre-encumbrances**
- **Minimizes data entry and uses standard screen formats**

- Requisition Processing provides an efficient and effective method for requesting goods and services
- Accepts all requisition information by providing a statewide single point of entry for agency requests
- Provides comprehensive edits for both accounting and commodity information which support and maintain a high level of data integrity
- Automates the pre-encumbrance of funds in R*STARS using multiple, full account distribution codes
- Data entry is eased by minimizing keying requirements and using standard screen formats throughout the system

Requisition Processing (Continued)

- **The State uses standard NIGP (National Institute of Government Purchasing) commodity codes to provide:**

- **Statewide consistency of data**
- **Easier communication among offices**

- The State uses the National Institute of Government Purchasing, Inc. (NIGP) standards for commodity codes. Procedures are in place and must be followed in the event additional commodity codes are required
- Statewide, standard commodity codes will provide consistency in data collection and ease of communication among offices

Requisition Processing (Continued)

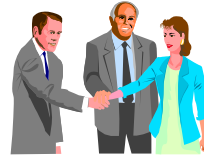
- **Automatically routes requisition data which minimizes manual document routing and re-keying**
- **Supports change order processing and automates the appropriate accounting changes in R*STARS**
- **Supports automated or manual determination of buyer responsibility**

- Routes requisition data to either bid, purchasing, or inventory processes which minimizes manual document routing and re-keying of data
- Supports change order processing and automates the interface of the pre-encumbrance (request to set aside funds) in R*STARS
- Supports several automated methods for assigning buyer responsibility or allows for buyer responsibility to be determined manually

EXAMPLE: A State employee enters into the ADPICS system a requisition for copier toner. When the requisition is posted the information is passed to R*STARS and a pre-encumbrance is automatically established. The coding will remain the same for each ADPICS process (purchase order, receiving, etc.) that the requisition goes through. Changes to the requisition will interface to R*STARS to automatically change the pre-encumbrance.

BID PROCESSING FUNCTION OF ADPICS

Bid Processing



- **Provides on-line selection of requisitioned commodities**
- **Provides the option to combine multiple requisitions into a single bid**
- **Prints Invitation to Bid documents upon request**
- **Tracks bid results**

- Bid Processing provides a mechanism for obtaining goods and services at the best value
- Provides on-line selection of requisitioned commodities for bid preparation, eliminating the need to enter the requested commodity information
- Provides option to combine multiple requisitions into a single bid which allows the most efficient and cost effective bid processing resources
- Prints Invitation to Bid documents upon user request
- Tracks bid results by providing easy to use bid entry screens which minimize data entry

Bid Processing (Continued)

- **Provides ability to enter vendor quoted discount from the list price**
- **Supports automated selection of qualified vendor(s)**
- **Provides flexibility to award contracts to one or multiple vendors**
- **Updates vendor listing with bid and award information**

- Provides ability to enter vendor quoted discount from the list price
- Supports automated selection of qualified vendor(s) based on the vendor's commodity registration; the list of vendors selected to receive solicitations is maintained on-line
- Provides flexibility to award contracts to one or multiple vendors for a single solicitation
- Updates vendor listing with bid and award information displaying the vendors' tabulation rankings

EXAMPLE: If more than one requisition for copier toner is entered into the system, the option to combine them can be used to generate economies of scale with a single vendor, or the aggregate quantity can be split among two or more vendors. When the vendor(s) is chosen, invitations to bid are requested from the system and sent out. After the bid results are received they are entered into the system and the vendor(s) is selected. The bid and award information is now available for viewing on the system for anyone with access.

Purchase Order/Contract Function of ADPICS

Purchase Orders/Contracts



- **Accepts automated input from bid and requisition subsystems**
- **Prints Purchase Order and support documents upon request**
- **Supports Contract preparation**

- The Purchase Order/Contract function of ADPICS provides control over the ordering and delivery process
- Accepts automated input from bid and requisition subsystems minimizing data entry and maintaining cross-references to the originating document
- Prints Purchase Order and support documents upon user request
- Supports Contract preparation requirements including:
 - Contract terms
 - Commodity specifications
 - Commodity information
 - Special delivery requirements

Purchase Orders/Contracts (Cont.)

- **Interfaces with R*STARS**
- **Tracks procurement history by vendor**
- **Processes change orders and automatically generates the appropriate encumbrance adjustment to R*STARS**

- Interfaces with R*STARS to automatically relieve the pre-encumbrance and establish the encumbrance
- Tracks procurement history by vendor by capturing frequency data to be used for management reporting
- Processes change orders and automatically generates the appropriate encumbrance adjustment to R*STARS

Purchase Orders/Contracts (Cont.)

- **Tracks buyer information**
- **Provides extensive on-line inquiries which can be used by :**
 - **Buyer to determine:**
 - » **Workload**
 - » **Priorities**
 - **Agencies to determine the status of their requests**

- Tracks buyer information and displays documents assigned to the buyer and their current status
- Provides extensive on-line inquiries which can be used by buyers to determine their workload and priorities, as well as by agencies to determine the status of their requests

EXAMPLE: Information from the requisition and bid processes is already in the system so re-keying it is unnecessary to create a purchase order. Also, any information regarding, for example, special delivery requirements, can reside in ADPICS, and can be included without re-keying all of it. To illustrate, if the toner is always required to be shipped in a specific size box for our storage purposes, that verbiage could be stored in ADPICS to print on all purchase orders (or contracts) for that item. When the purchase order for our toner is completed, the data is then passed to R*STARS where the appropriate accounting entries are system generated (pre-encumbrance relieved and encumbrance established). Once the purchase order has been completed, anyone with security access can look up the information. The buyer and the person who ordered the toner may need to do this to keep abreast of what is happening with the order to find out when it is scheduled to arrive.

Receiving Function of ADPICS

Receiving



- **Automates:**
 - **Procurement receiving**
 - » **Decrease paper flow between offices (receiving and accounts payable)**
- **Matches purchase order, receiver, and vendor invoice and generates voucher transactions**
- **Provides ease of data entry**

- The Receiving function ensures payments occur after the goods have been received
- The procurement receiving function simply requires the entry of the quantities received, thereby decreasing the paper flow between the receiving and accounting offices
- The receiving process provides one component of the three-way matching process (purchase order, receiver, and vendor invoice) that is used to automatically generate voucher transactions
- Automatically updates all related tables for procurement management, providing up-to-date information for producing accurate management reports
- Provides ease of data entry through the use of standard input screens with extensive inquiry capability

EXAMPLE: When the toner is received, the receiving information is entered into the system. That information may be used for reports dealing with inventory and procurement management. Generally, by the time the merchandise has been received, the vendor has mailed the invoice to the State. The invoice, therefore, may have been put into the system. The ADPICS system will generate a voucher transaction after both the receiving information and the vendor's invoice have been put into the system and the matching process is successfully passed.

Payable Processing Function of ADPICS

Payable Processing



- **This subsystem is responsible for preparing voucher documents**
 - Items ordered
 - Items received
 - Items billed
- **Comparing and matching these items ensures that payments are only made for items that are both ordered and received**

- Payable Processing provides a streamlined approach for processing payments and is responsible for preparing voucher documents, using three pieces of information:
 - Items ordered, obtained from the purchase order
 - Items received, obtained from the receiving report
 - Items billed, obtained from the vendor invoice
- This comparison ensures that payments are only made for items that were ordered and received by the State

Payable Processing (Continued)

- **The major objectives of ADPICS Payable Processing subsystem are to:**
 - **Provide automated matching of the documents needed to create a voucher**
 - **Perform due date and discount analysis**
- **Provides options for specifying type of matching and tolerances to be applied**

- The major objectives of ADPICS Payable Processing subsystem are to:
 - Provide automated matching of the documents needed to create a voucher
 - Automatically perform the analysis of due date and discounts that would prevent the loss of dollars through discounts not taken and/or through early payments
 - Automate the matching process by providing options for specifying the type of matching (2-way - for services, 3-way - for goods) to be performed and the dollar and percentage tolerances to be applied

Payable Processing (Cont.)

- **On-line recording of invoice information:**
- **Generates voucher documents upon successful matching within specified tolerance**
- **Automated interfaces with R*STARS**

- Provides on-line capability to record invoice information, which minimizes data entry by carrying data forward from the purchase order and reducing the flow of paper between offices
- Generates the voucher document when the document matching process is successful and the document amounts are within the dollar or percentage tolerances specified in the matching rules
- Provides automated interfaces with the R*STARS accounting system to automatically relieve the encumbrance and establish the voucher payable

Payable Processing (Cont.)

- **Provides electronic voucher authorization**
- **Provides timely management reports**

- Provides electronic voucher authorization process by routing voucher documents through the electronic approval processing to be authorized by the appropriate personnel. The authorization levels may be determined by dollar amount ranges, document type, commodity, or by initiating agency
- Can provide timely management reports which present voucher document matching exceptions

NOTE: The system will electronically match the documents, generate the voucher, and route it to the appropriate people for authorization. The information is passed to R*STARS and the encumbrance will be relieved and the voucher payable will be established when the voucher is posted (finished).

Additional Functions of ADPICS

- CREDIT MEMO functionality provides the capability in ADPICS to complete a request for credit for goods returned as defective or unacceptable. This ADPICS functionality also provides the capability to enter the vendor's advice of credit to confirm the offset to the associated payable
- TRAVEL functionality provides a consistent means of defining and capturing travel related data and also provides an inquiry/reporting process specific to travel-related expenditures
- GRANT/PROJECT BILLING subsystems of R*STARS provides the ability to generate billing transactions and reports to assist with the grant/project management process
- CONTRACT RETAINAGE - Certain contracts require the State to retain (hold back) a percentage of each payment related to the contract. The Contract Retainage functionality of ADPICS provides the ability to record this percentage as a separate liability (retainage payable) and to release the payable, by direct voucher, anytime during the project or after the project is complete
- VENDOR PERFORMANCE functionality provides ADPICS users with a Statewide vendor performance reporting, disposition, and inquiry location. This functionality allows users to enter and track performance history by vendor. Users can create a vendor performance record to report positive and/or negative performance. While records are in the investigation process, users may keep abreast with the investigation as well as inquire whether a specific vendor has a history of complaints or a history of exemplary performance

Account Coding Block

- Many transactions entered in MAIN FACS (R*STARS and ADPICS) require the completion of an account coding block. The account coding block provides a mechanism to identify the classification structure on accounting transactions
- To assign costs to the correct organizational unit
- To provide the ability to separate and summarize R*STARS accounting information multiple ways to meet the reporting requirements of agencies, the Legislature, the Federal government, and GAAP

(Generally Accepted Accounting Principles)

- Information entered on a transaction can be minimized by:
 - Defaulting constant data (ex. the user's agency)
 - Utilizing system coding reduction techniques (ex. one element of the coding block, such as the Index Code, could infer (look up) other coded accounting information). The Index Code can be established to look up:
 - ▼ Appropriation Number
 - ▼ Fund
 - ▼ Program Cost Account (PCA)
 - ▼ Project Number and Phase
 - ▼ Grant Number and Phase
 - ▼ Agency Codes 1, 2, and 3
 - ▼ Multipurpose Code
 - ▼ Organization Code

Some agencies will use the Index Code to look up a required element such as the PCA, and other agencies may choose to input the required element separately. PCA can also be structured to infer a variety of elements.

The exact number and type of additional data elements entered on your transactions depends on the accounting classification structure adopted by your agency. One of the major advantages of MAIN FACS is the flexibility available to the agencies, which allows one agency to have quite different input coding needs and requirements than another agency.



Knowledge

EXERCISE #2

Write the letter for the ADPICS function on the space in front of the sentence that describes a major element of that function.

- A -- Requisition Processing
- B -- Bid Processing
- C -- Purchase Orders/Contracts
- D -- Payable Processing
- E -- Receiving

-
- ___ 1. Accepts automated input from bid and requisition subsystems, minimizing data entry and maintaining cross-references to the originating document.
 - ___ 2. Prints Invitation to Bid documents upon user request.
 - ___ 3. Provides flexibility to award contracts to one or multiple vendors for a single solicitation.
 - ___ 4. Provides interfaces with R*STARS to automatically liquidate the encumbrance and establish the voucher payable.
 - ___ 5. Automatically calculates discounts and the most favorable due dates for vouchers.
 - ___ 6. Accepts all requisition information by providing a statewide single point of entry for agency requests.
 - ___ 7. Automatically updates all related files for inventory and procurement management, providing up-to-date information for producing accurate management reports.
 - ___ 8. Interfaces with R*STARS to automatically liquidate the pre-encumbrance and establish the encumbrance.



Knowledge

EXERCISE #2 ANSWER KEY

Write the letter for the subsystem on the space in front of the sentence which describes a major element of that subsystem.

- A -- Requisition Processing
- B -- Bid Processing
- C -- Purchase Orders/Contracts
- D -- Payable Processing
- E -- Receiving

-
- C 1. Accepts automated input from bid and requisition subsystems, minimizing data entry and maintaining cross-references to the originating document.
 - B 2. Prints Invitation to Bid documents upon user request.
 - B 3. Provides flexibility to award contracts to one or multiple vendors for a single solicitation.
 - D 4. Provides interfaces with R*STARS to automatically liquidate the encumbrance and establish the voucher payable.
 - D 5. Automatically calculates discounts and the most favorable due dates for vouchers.
 - A 6. Accepts all requisition information by providing a statewide single point of entry for agency requests.
 - E 7. Automatically updates all related files for procurement management, providing up-to-date information for producing accurate management reports.
 - C 8. Interfaces with R*STARS to automatically liquidate the pre-encumbrance and establish the encumbrance.

AGENDA

Introduction

1. Structure of MAIN

2. Functions of ADPICS

Conclusion

CONCLUSION

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AD01



ADPICS Overview